



PJM: Opportunities for generation with co-located load

Enel X North America response and additions to stakeholder process options matrix

PJM Market Implementation Committee

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Summary



- ❑ Enel X North America works closely with thousands of customers across PJM to provide DERs/DR. Many include on-site generation along with their loads.
- ❑ The capacity accreditation side for Gen Co-Located with Load is a ripe area for review, particularly given technological innovation and direction from FERC Order 2222 to fully value injections from generation sited with load as DERs.
- ❑ At this point, we are putting forth solution options that maintain existing principles and fairness across cost allocation for customers.
 - This topic is important and imagines changes that could have far reaching implications given the plethora of on-site generation in PJM.
 - For instance, differentiating loads into two new buckets would transform cost allocation for customers and would logically apply to DERs, also. This has not been fully evaluated by states, consumers and other market participants - a thorough review is needed on broader implications

Enel's Additions - Configurations



- ❑ **One configuration: Co-Located Load with Generation. Both concepts, "Co-Located Load without Service" and "Co-Located Load with Service", rely on PJM system and thus are not distinct use cases in terms of cost allocation. All customers are fairly subject to the same costs of the system. The examples presented so far show load that is not station power and should thus be treated as any other load.**

Enel's Additions – Transmission Costs



- Co-Located Load with Service: Status quo.**
- Co-Located Load without Service: Status quo.**
- "Without service" does not exist. Customers pay for the services they enjoy from the transmission system. Generation does not pay for transmission service (other than its specific costs of interconnection) on the assumption that loads are paying to maintain the system.**
- Absent a transmission cost being allocated to the co-located load, these costs would be unfairly and unnecessarily passed on to all other rate payers.**

Enel's Additions – **Capacity Costs**



- Co-Located Load with Service: Status quo.**
- Co-Located Load without Service: Status quo.**
- The two cases are not distinct. If the load is there when PLC is determined, then the system is providing service and capacity costs should be allocated accordingly.**

Status Quo descriptions

(as described in stakeholder options matrix)

□ Status Quo - **Transmission Costs:**

- PJM network load customers pay transmission-related costs based on their Network Service Peak Load ("NSPL"). The NSPL is determined by each EDC using EDC-specific procedures that, in general, base the NSPL on the customer load (net of operating BTMG) at the time of specific peak load hours.

□ Status Quo - **Capacity Costs:**

- LSEs pay capacity costs (i.e., RPM charges) based on their Peak Load Contribution ("PLC"). The PLC is determined by each EDC using EDC-specific procedures that, in general, base the PLC on the LSE's load (net of operating BTMG) at the time of specific peak load hours.

Thank you



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